

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

re application of:
CRAWFORD and LINDENSTRUTH

Serial No. 08/795,592

Filed: February 6, 1997

For: *Apparatus and Method for Managing
Digital Resources by Controlling
Tokens Associated with Digital
Resources*

Attorney Docket No. A-63739/WSG

DECLARATION OF WILLIAM S. GALLIANI UNDER
37 C.F.R. § 1.47(a)

Assistant Commissioner of Patents
Washington, D.C. 20231

Sir:

I, WILLIAM S. GALLIANI, declare that:

1. I am the attorney who prepared the above-identified patent application. In this application and in this petition under 37 C.F.R. § 1.47(a) I am representing the interests of The Regents of the University of California (hereinafter "The Regents").

2. Upon information and belief, the subject matter of the present invention was conceived and developed by Henry J. Crawford and Volker Lindenstruth while employed by the Regents. Henry J. Crawford has signed a declaration for the invention and an assignment of the invention to The Regents.

3. Upon information and belief, Volker Lindenstruth is obligated by agreement with The Regents to assign his entire interest in the subject matter of the present invention to The Regents. A copy of the relevant portion of the Patent Policy Agreement executed by Volker Lindenstruth on July 6, 1995, is attached as Exhibit I. The Agreement states that "I agree that every possibly patentable device, process, plant or product, hereinafter referred to as 'invention', which I conceive or develop while employed by University, or during the course of my utilization of any University research facilities or any connection with my use of gift, grant, or contract research funds received through the University, shall be examined by

University to determine rights and equities therein ... In the event any such invention shall be deemed by University to be patentable, and University desires, pursuant to determination by University as to the rights and equities therein, to seek patent protection thereon, I shall execute any documents and do all things necessary at University's expense, to assign to University all rights, title and interest therein and to assist University in securing patent protection thereon...."

4. I worked closely with Henry J. Crawford and Volker Lindenstruth in preparing this patent application. This work included meeting with the inventors, written communications with the inventors, and oral communications with the inventors.

5. On April 27, 1997, approximately two months after the patent application was filed, Volker Lindenstruth sent me a communication indicating that he believed he was the primary inventor of the subject matter of the patent application.

6. On or around May 27, 1997, and June 17, 1997, I received communications from Henry J. Crawford discussing his work and contributions to the subject matter of the patent application.

7. On July 8, 1997, The Regents instructed me to conduct a formal review and determination of inventorship.

8. On or around August 15, 1997, Volker Lindenstruth presented me with oral testimony and physical documentation establishing his contributions to the subject matter of the patent application.

9. On October 3, 1997, Henry J. Crawford presented me with physical documentation establishing his contributions to the subject matter of the patent application.

10. I carefully studied all of the inventorship materials provided to me. On October 9, 1997, I advised The Regents that Henry J. Crawford and Volker Lindenstruth were properly named as co-inventors of the subject matter of the patent application. Henry J. Crawford and Volker Lindenstruth were advised of this conclusion on or around the same day.

11. In view of the conclusion on inventorship, declarations and assignments were individually mailed to Henry J. Crawford and Volker Lindenstruth on October 9, 1997.

12. Henry J. Crawford contacted me on or around October 27, 1997, to indicate that he had executed both the declaration and assignment. He sent me a facsimile copy of the documents and mailed the original documents on or around that date.

13. On or around the same date (October 27, 1997) I spoke with Volker Lindenstruth by telephone. He advised me that he was consulting with his attorney as to whether he should sign the declaration and assignment. Mr. Lindenstruth indicated, as he had done previously, that he did not dispute Mr. Crawford's contribution to certain claims in the application, but he should be acknowledged as the primary inventor of the subject matter of the application. It was explained to Mr. Lindenstruth that the patent laws in the United States do not distinguish between primary and secondary inventors and that since he has acknowledged that Mr. Crawford is an inventor of at least some of the claims in the application, he could legally execute the declaration, without regard to who is a primary inventor and who is a secondary inventor.

14. I contacted Mr. Lindenstruth by telephone on October 30, 1997. He indicated at that time that he still had not spoken with his attorney so he had not executed the declaration and assignment. Later the same day (October 30, 1997), Mr. Lindenstruth indicated to me that he intended to sign the declaration and assignment and drop them off at my office the next day, October 31, 1997.

15. I met with Mr. Lindenstruth on October 31, 1997. The executed declaration and assignment documents that he provided to me included numerous conditions and provisos inserted into the standard declaration and standard assignment forms. For example, on the standard declaration form, Mr. Lindenstruth added an insert indicating which claims he believed he was the inventor of and which claims he believed Mr. Crawford was the inventor of. On the standard assignment form, Mr. Lindenstruth added language to make the assignment contingent. In addition, Mr. Lindenstruth eliminated certain language regarding his obligation to assist in the ongoing prosecution of the application.

16. I sent, by facsimile, the modified declaration and assignment to The Regents on October 31, 1997, for their review and consideration.

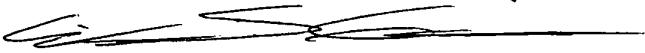
17. On November 3, 1997, The Regents advised me that the modified declaration and assignment would limit or jeopardize their rights in the invention. The Regents viewed the modifications to the declaration as inappropriate since Mr. Lindenstruth's interpretation of who is the inventor of which claims does not dispute the fact that Mr. Crawford and Mr. Lindenstruth are joint inventors of the claimed subject matter in the application. Furthermore, Mr. Lindenstruth's interpretation of who is the inventor of which claims is not legally binding.

The Regents do not want to implicitly or explicitly acknowledge Mr. Lindenstruth's interpretation of who is the inventor of which claims in the application. With reference to the changes to the assignment, it is The Regents' position that the conditions added to the assignment and terms removed from the assignment potentially dilute the full rights to which The Regents are contractually entitled.

18. It is respectfully submitted that the foregoing circumstances establish that Mr. Lindenstruth has effectively refused to join in the prosecution of the patent application. Accordingly, I was asked to prepare this petition to preserve the rights of The Regents and to prevent irreparable damage to The Regents.

19. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true. I further declare that all statements made by me herein are made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that any willful false statements may jeopardize the validity of any patent resulting therefrom.

November 3, 1997



William S. Galliani



TOTAL P. 02

UNIVERSITY PATENT POLICY, continued . . .

net royalties and fees per invention received by the University. Net royalties are defined as gross royalties and fees, less 15% for administrative costs, and less the costs of patenting, protecting, and preserving patent rights, maintaining patents, the licensing of patent and related property rights, and such other costs, taxes or reimbursements as may be necessary or required by law.

When there are two or more inventors, each inventor shall share equally in the inventor's share of royalties, unless all inventors previously have agreed in writing to

a different distribution of such share.

Distribution of the inventor's share shall be made annually in February from the amount received during the penultimate calendar year. In the event of any litigation, actual or imminent, or any other action to protect patent rights, the University may withhold distribution and impound royalties until resolution of the matter.

D. In the disposition of any net income accruing to the University from patents, first consideration shall be given to the support of research.

III. PATENT RESPONSIBILITIES AND ADMINISTRATION

- A. Pursuant to Standing Order 100.4(gg), the President has responsibility for all matters relating to patents in which the University of California is in any way concerned.
- B. The President is advised on such matters by the Intellectual Property Advisory Council (IPAC), which is chaired by the Senior Vice President—Academic Affairs. The membership of IPAC includes representatives from campuses, Agriculture and Natural Resources, the Department of Energy Laboratories, and the Director of the Office of Technology Transfer. IPAC is responsible for:
 1. reviewing and proposing University policy on intellectual property matters including patents, copyrights, trademarks, and tangible research products;
 2. reviewing proposed exceptions to established policies; and
 3. advising the President on related matters as requested.
- C. The Senior Vice President—Administration is responsible for implementation of this Policy, including the following:
 1. Evaluating inventions and discoveries for patentability, as well as scientific, merit and practical application, and requesting the filing and prosecution of patent applications.

2. Evaluating the patent or analogous property rights or equities held by the University in an invention, and negotiating agreements with cooperating organizations, if any, with respect to such rights or equities.
3. Negotiating licenses and license option agreements with other parties concerning patent and/or analogous property rights held by the University.
4. Directing and arranging for the collection and appropriate distribution of royalties and fees.
5. Assisting University officers in negotiating agreements with cooperating organizations concerning prospective rights to patentable inventions or discoveries made as a result of research carried out under grants, contracts, or other agreements to be funded in whole or in part by such cooperating organizations, and negotiating with Federal agencies regarding the disposition of patent rights.
6. Recommending to the President appropriate action on exemptions from the agreement to assign inventions and patents to the University as required by Section II, A., above.

Revised April 16, 1990

PATENT AGREEMENT

(Please read Patent Policy on reverse side and above.)

This agreement is made by me with The Regents of the University of California, a corporation, hereinafter called "University," in part consideration of my employment, and of wages and/or salary to be paid to me during any period of my employment, by University, and/or my utilization of University research facilities and/or my receipt of gift, grant, or contract research funds through the University.

By execution of this agreement I understand that I am not waiving any rights to a percentage of royalty payments received by University, as set forth in University Patent Policy, hereinafter called "Policy." I also understand and agree that the University has the right to change the Policy at any time, including the percentage of net royalty payments paid to me.

I agree that every possibly patentable device, process, plant, or product, hereinafter referred to as "invention," which I conceive or develop while employed by University, or during the course of my utilization of any University research facilities or any connection with my use of gift, grant, or contract research funds received through the University, shall be examined by University to determine rights and equities therein in accordance with the Policy, and I shall promptly furnish University with complete information with respect to each.

In the event any such invention shall be deemed by University to be patentable, and University desires, pursuant to determination by University as to the rights and equities therein, to seek patent protection thereon, I shall execute any documents and do all things necessary, at University's expense, to assign to University all rights, title and interest therein and to assist University in securing patent protection thereon. The scope of this provision is limited by California Labor Code section 2870, to which notice is given below. In the event I protest University's determination regarding any rights or interest in an invention, I agree: (a) to proceed with any University requested assignment or assistance; (b) to give University notice of my protest no later than the execution date of any of the above-described documents or assignments; and (c) to reimburse University for all expenses and costs it incurs in its patent application attempts, if any such protest is subsequently substantiated or agreed to.

I shall do all things necessary to enable University to perform its obligations to grantors of funds for research or contracting agencies as said obligations have been undertaken by University.

University may relinquish to me all or part of its right to any such invention, if, in its judgment, the criteria set forth in the Policy have been met.

I agree to be bound hereunder for terminating any periods of employment by University or for any period during which I conceive or develop any invention during the course of my utilization of any University research facilities, or any gift, grant, or contract research funds received through the University.

In signing this agreement I understand that the law, of which notification is given below, applies to me, that I am still required to disclose all my inventions to the University.

NOTICE

This agreement does not apply to an invention which qualifies under the provisions of Labor Code section 2870 of the State of California which provides that (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer. (2) Result from any work performed by the employee for the employer. (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

In any suit or action arising under this law the burden of proof shall be on the individual claiming the benefits of its provisions.

Employee/Guest Name: LINDENSTRUTH Witness Signature: Julia Botic Date: 7/6/95
(Please Print)

Employee/Guest Signature: R. de Chack Date: July 6, 1995
(Please complete withholding certificate and State Cash, etc.)

RETN: ACCOUNTING—5 yrs. after separation, except in cases of disability, retirement or disciplinary action, in which cases retain until age 70.
Other Copies: 0-5 years after separation.

ATTACH TO PERSONNEL ACTION FORM (UPAY 580-1)

Form UPAY 580-1 (REV 91)

Exhibit I

BEST AVAILABLE COPY